GOVERNMENT OF INDIA
POWER
LOK SABHA

UNSTARRED QUESTION NO:4907
ANSWERED ON:19.04.2001
FUNDS BY RURAL ELECTRIFICATION CORPORATION TO STATES
PUSHPDAN SHAMBHUDAN GADHAVI;RAMSINH PATALIYABHAI RATHWA

Will the Minister of POWER be pleased to state:

to the reply given to Unstarred Question No.1054 on March 1, 2001 and state:

(a) whether in the absence of proper monitoring of funds released by Rural Electrification Corporation (REC), the funds released to some States have been diversified for some other purposes;

(b) if so, the details thereof and the action taken by the REC to ensure that fundsmeant for the purchase of energy meters should be utilized for the same purpose;

(c) the details of funds released so far by REC against invoices of manufacturers andthe amount disbursed to manufacturers against such invoices along with the balance amount yet to be released;

(d) whether the State Governments promised to disburse the balance amount to SSI manufacturers by March 31, 2001;

(e) if not, the reasons therefor; and

(f) the time by which the final payment is likely to be disbursed?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF POWER (SHRIMATI JAYAWANTI MEHTA)

(a) & (b) : The Rural Electrification Corporation(REC) provides loan assistance tothe State Power Utilities/State governments for various schemes including procurement of meters according to its guidelines. The release of funds under the schemes sanctioned by the corporation is linked to progress in implementation by the borrowers. In case of Energy Meters funds are released partly on their procurement and partly on their installation. Loan assistance upto 90% is released on pro-rata basis against claims submitted by the borrower on receipt of equipment and supported by the copy of the invoice of the manufacturer duly approved and signed by the authorised officer of the Division/Circle or the Board.The balance 10% of the loan is released after the installation/completion report is received from the SEB together with the village-wise, taluka-wise, district-wise details (and sub-station details, if any, involved).

On receipt of a complaint about the diversion of funds meant for purchase of energy meters, the matter was taken up by the then Minister of Power with the ChiefMinister, Manipur on 11.8.2000 requesting the State Government of Manipur to confirmwhether the money released by REC for the purpose of energy meters has been spent for the specified purpose, the suppliers have completed the supply of the requisite number of meters of the requisite quality and due payments made against the supply made.

(c) : REC does not procure meters or any other equipment. Hence, the question of release of funds to the manufacturers by REC does not arise.

(d) to (f) : The Electricity Department, Government of Manipur had earlier informedthat the balance amount due to SSI manufacturer will be released by 31.3.2001. However, the State Government has recently informed that the said amount of Rs.36.54lakhs will be released to the suppliers as and when financial position of the State improves.